

Screen Form 760 - Tax Year 2016

Process

[SCREEN LOCAL FILED TAX RETURNS - TAX YEAR 2016](#)

Effective Date

01/01/2017

Purpose

This task is performed to ensure the Tax Year 2016 Form 760 is complete and that informational screening codes are written on the return. This task is performed by Representatives in the Commissioner of Revenue's Office.

This task covers screening of the following categories and form types.

Categories

- Category 1: 760 Refund return
- Category 3: 760 Tax Due return received with or without remittance

Form Types

- 760 Handprint
- 760CG with 2D barcode
- 760CG without 2D barcode

This task is performed at the same time as General Screening.

Please refer to TASK: [General Screening of Individual Income Tax Returns - Tax Year 2016](#)

Special Notes

- Each bundle of work received should contain only one Category and one Form type. Do not mix types of work.
- The return is "coded" by writing the appropriate screening codes in the bottom right corner of Page 1 of the return.
- Making extensive changes to the return will result in processing delays and may cause errors.
- To assist a customer needing extensive changes, prepare a new 760 return and obtain the customer's signature. Give the original 760 return back to the customer because including it behind the correct return may cause processing problems and errors.
- Federal Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, may be attached to the return.

Procedure

Responsibility

Commissioner of Revenue's Office Locality Representative

Steps

1. Screen the first return.
2. Determine if the Locality Code field is complete.
 - A. If the Locality Code field is complete, go to Step 3.
 - B. If the Locality Code field is blank, write in the appropriate FIPS code based on the address supplied by the customer.

NOTE: The Locality Code of "300" is designated when no city/county location is supplied by the customer.
3. Determine if the Federal Adjusted Gross Income (FAGI) field on Line 1 is complete.
 - A. If the FAGI is complete, go to Step 4.
 - B. If the FAGI is blank and there is an entry on Line 9 (Virginia Adjusted Gross Income),
 1. Compute the FAGI by working backwards and adjust for entries on Lines 2 and 4 - 7.
 2. Write the computed amount on Line 1.

NOTE: DO NOT alter the FAGI field unless it is blank.
4. If working a Handprint form **AND** there are entries on both Lines 20a and 20b, screen for an incorrect subtotal on Line 21.

NOTE: Customers occasionally add Lines 20a and 20b and enter the total on line 21.

 - A. View Lines 20a and 20b, 21 and 28.
 - B. If the sum of 20a plus 20b equals the amount on Line 21 **AND** equals the amount on Line 28, draw a line through the amount on Line 21.
5. Review for Credit for Tax Paid to Another State.

NOTE: The credit is claimed on Line 25 of Form 760 with the details listed on Schedule OSC.

 - A. If the Credit is not claimed, go to Step 7.
 - B. If the Credit is claimed **AND** if the other state's tax return **is included**, go to Step 6.
 - C. If the Credit is claimed **AND** the other state's tax return **is not included AND**
 1. If the total credit is less than \$500, the other state's income tax return is not required.
 2. If the total credit is equal to or greater than \$500, code "**MX**".
6. Review Schedule OSC credit amount(s) and Form 760 net tax amount.
 - A. Add the credit amount(s) from Schedule OSC Lines 10 and 20 for each state that does NOT have a line drawn through the Income Percentage.
 - B. Compare the total OSC credit amount computed in STEP 6A to the amount appearing on Line 19 of Form 760.
 1. If Line 19, Form 760 is **larger** than the total computed OSC amount, go to Step 8.
 2. If Line 19 Form 760 is **smaller** than the total computed OSC amount, line through the Income Percentage on Schedule OSC for one or more state credits until the total allowable credit amount equals **less** than Line 19, Form 760.

NOTE: This action will cause the return to be presented to a TAX Representative for correction and resolution during automated processing.
7. If the Farmer, Fisherman, and Merchant Seaman checkbox is checked, code as follows:
 - **Return filed on or before March 1, 2017** - code "**IX**"
 - **Return filed after March 1, 2017** - code "**UX**"
8. Screen for Federal Form 1310.
 - A. If Federal Form 1310 is attached, code the return "**DX**".

- B. If Federal Form 1310 is not attached, go to Step 9.
- 9. Determine if Form 760C or 760F is included.
 - A. If Form 760C or 760F **is not** included, go to Step 10.
 - B. If Form 760C or 760F **is** included, code "**CX**".
- 10. Place the screened return aside in one of the following stacks.
 - Timely Farmer, Fisherman, Merchant Seaman returns
 - Late Farmer, Fisherman, Merchant Seaman returns
 - All other returns

NOTE: Farmer, Fisherman, Merchant Seaman returns are identified and noted separately as Timely or Late for transmittal to TAX to ensure special handling.
- 11. Repeat Steps 2 – 10 until all returns have been screened.
- 12. Gather the completed 760 returns.
 - A. Secure the bundle with a rubber band or paper clip when there are too few returns to be rubber banded.
 - B. Place the completed bundle in the designated location for transmittal to TAX.

Published Date

12/15/2016